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REPORT (SUPPLEMENTARY) FOR 1912.

(For Report for 1911-12, see No. 758.)

Presented to both Houses of Parliament by Command of His Majesty.
June, 1914.



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REPORT ON THE CEYLON (SUPPLEMENTARY)

BLUE BOOK OF 1912.

[NOTE.—The Blue Book and Report for 1911–12 dealt with financial statistics for the year ending June 30, 1912, but with statistics other than financial for the calendar year 1911. In future the Blue Book will be compiled for the calendar year, and will contain financial statistics for the financial period ending within that year. The financial statistics for the twelve months from July 1, 1912, to June 30, 1913, will accordingly appear with other statistics for the calendar year 1913. To secure continuity in the statistics other than financial, it has become necessary to issue a Supplementary Blue Book containing such statistics for the calendar year 1912, and it is with these alone that the present Report deals, except in the case of local bodies, which still follow the calendar year for purposes of accounting.]

I.—FINANCIAL.

(A) MUNICIPALITIES.

THE following is a comparative statement of the total revenue and expenditure of the Municipalities for the five years ended December 31, 1912 :—

Colombo.

Year.	Revenue.			Expenditure.	
	Rs.	c.		Rs.	c.
1908	1,884,133	4	..	1,846,000	97
1909	1,848,294	12	..	2,068,958	38
1910	2,260,049	41	..	2,191,141	42
1911	2,662,823	36	..	2,466,953	17
1912	2,678,159	63	..	2,906,599	85

Kandy.

1908	..	..	226,646	54	..	189,138	78
1909	..	..	180,602	94	..	165,850	27
1910	..	..	224,346	80	..	225,323	32
1911	..	..	245,473	66	..	245,088	6
1912	..	..	233,939	10	..	211,794	95

Galle.

1908	..	..	141,984	46	..	132,461	36
1909	..	..	156,051	80	..	192,656	31
1910	..	..	135,329	75	..	156,856	28
1911	..	..	154,342	21	..	144,680	6
1912	..	..	184,382	50	..	165,102	70

Below will be found a statement of the debts of the Municipalities up to December 31, 1912, showing provision for payment :—

Amount of Debt outstanding.	On what Account.	Provision for Payment.
Rs. c.	<i>Colombo.</i>	
(See below) ..	—	—
	<i>Kandy.</i>	
121,313 67 ..	Waterworks construction ..	Water-rate of 6 per cent. on properties within certain portions of the Municipality (Ordinances Nos. 18 and 29 of 1884).
105,402 98 ..	Acquisition of lands above reservoir; repairs to main sewer and other various works	Bond assigning portion of water-rate as authorized by Ordinance No. 7 of 1887; also portion of rates and taxes.
18,000 0 ..	To widen Victoria Drive and clear lake silt	Bond assigning portion of rates and taxes under sections 127 (a) and (b), 128, 129, and 130 of Ordinance No. 7 of 1887.
	<i>Galle.</i>	
245,624 81 ..	Construction of waterworks ..	A water-rate of 5 per cent. is levied within the Fort for repayment of loan.
37,840 82 ..	Sanitary improvements ..	Mortgage of stamp duties on licenses for carts, boats, and coaches, and also stamp duties under Licensing Ordinances of 1893 and 1897.
528,182 28		

As regards the Municipality of Colombo, a sum of Rs. 9,194,814·41 has been advanced by the Government towards the cost of the Mansergh Drainage and Sewerage Scheme. In addition to this, a sum of Rs. 250,000 has been advanced towards the improvement of the Colombo water supply, i.e., for laying an additional main. The construction of the Colombo Waterworks and the Victoria Bridge was carried out by Government, and the Municipality has undertaken to repay Government an annual sum of Rs. 100,000 until 1924 in respect of the former, and of Rs. 8,000 until 1945 for the latter.

(B) LOCAL BOARDS.

There are twenty-one Local Boards in Ceylon. The Boards are entrusted with the maintenance of public health and the general improvement and conservancy of the towns in which they are established. Their sources of revenue are an assessment tax on real property, taxes on vehicles and animals, road commutation tax, stamp duties for various licenses, and fines for breaches of by-laws, &c.

In 1912 the total revenue of these Boards amounted to Rs. 494,406, as against Rs. 596,425 in 1911; and the total expenditure to Rs. 500,573, as against Rs. 488,073 in 1911.

Loans are made to Local Boards, usually at 3½ to 4½ per cent. interest and 2 per cent. sinking fund, for approved purposes, such as waterworks, drainage, erection of markets, &c., on the security of their revenue.

During 1912 a loan of Rs. 2,325 was made to the Local Board of Bandarawela, and one of Rs. 8,000 to the Sanitary Board, Galle District.

II.—TRADE, AGRICULTURE, AND INDUSTRIES.

(A) IMPORTS AND EXPORTS.

Trade in General.

The total value of Ceylon trade in the year 1912 again exceeded that of any previous year, as will be seen from the following table :—

Aggregate Value of Imports and Exports for the last Ten Years (omitting Specie, but including Coal exported for the use of Steamers).

Year.	Lakhs of Rupees.	Year.	Lakhs of Rupees.
1903 ..	2,144	1908 ..	2,648
1904 ..	2,198	1909 ..	2,853
1905 ..	2,240	1910 ..	3,321
1906 ..	2,363	1911 ..	3,523
1907 ..	2,631	1912 ..	3,886

The Customs revenue collected in 1912 showed an advance of Rs. 1,643,737 as compared with 1911. Between 1902 and 1912 the increase has amounted to Rs. 7,294,498, or 81·7 per cent.

The chief source of this revenue in 1911 and 1912 was the import duty on—

	1911. Rs.	1912. Rs.
Grain ..	3,856,615	3,941,579
Spirits ..	1,974,002	2,208,726
Kerosine Oil ..	1,362,388	1,605,472
Sugar ..	1,125,417	1,295,334
Cotton Goods ..	450,926	546,112

The total trade of the Colony, excluding specie and coal exported for use of steamers, amounted to Rs. 374,277,881, an increase of Rs. 36,764,816, or 10·9 per cent. over 1911, compared with an increase of Rs. 57,610,626 (18·2 per cent.) during the previous period.

The following table gives details for the last ten years of the annual value of the trade of the Colony, omitting specie and the value of coal for the use of steamers :—

Year.	Imports.	Exports.			Total.	Total of Imports and Exports, omitting Specie and the Value of Coal for use of Steamers.
		Produce and Manufacture of the Colony.	British, Foreign, and other Colonial Produce and Manufacture.			
	Rs.	Rs.	Rs.	Rs.	Rs.	
1903	100,889,372	100,871,556	1,356,167	102,227,723	203,117,095	
1904	105,324,719	99,894,461	1,214,415	101,108,876	206,433,595	
1905	108,324,328	100,898,551	1,291,158	102,189,709	210,514,037	
1906	112,789,269	108,248,232	1,463,412	109,711,644	222,500,913	
1907	120,061,934	127,095,587	2,272,664	129,368,251	249,430,185	
1908	122,420,393	127,015,846	1,946,310	128,962,156	251,382,549	
1909	125,441,597	144,121,334	2,778,297	146,899,631	272,341,228	
1910	150,195,648	160,771,277	5,700,330	166,471,607	316,667,255	
1911	156,986,106	170,110,905	10,416,054	180,526,959	337,513,065	
1912	175,322,979	190,932,654	8,022,248	198,954,902	374,277,881	

It will be noticed from the above table that for the last six years the value of the exports has materially exceeded that of the imports. This is due practically entirely to the influence of rubber. In 1906, the last year when imports exceeded exports, the value of the rubber exports was only Rs. 1,527,539 ; in 1912 it was Rs. 52,178,051, exclusive of 5 millions of rupees worth of Straits and Indian rubber transhipped here. The balance in favour of exports was in 1912 Rs. 23,631,000.

An analysis of the distribution of the trade of Ceylon as between the United Kingdom, British Colonies, and foreign countries during the past three years gives the following figures (omitting imports of rubber, specie, and coal exported for the use of steamers):—

		1910.	1911.	1912.
Percentage of total trade of Ceylon taken by—				
United Kingdom	..	38·03	39·31	40·13
British Colonies	..	34·57	33·37	32·7
Foreign Countries	..	27·4	27·32	27·17
Percentage of import trade of Ceylon taken by—				
United Kingdom	..	28·32	28·3	29·62
British Colonies	..	58·77	57·71	55·4
Foreign Countries	..	12·91	13·99	14·98
Percentage of export trade of Ceylon taken by—				
United Kingdom	..	46·49	48·39	49·14
British Colonies	..	13·49	13·29	13·26
Foreign Countries	..	40·02	38·32	37·6

There was an advance by the United Kingdom both in the import and export trade, while the British Colonies showed a decrease under both heads. The percentage of value of our imports from foreign countries has steadily increased, but the percentage of our exports to those countries has similarly declined.

Imports.

There were advances under practically all heads, especially noteworthy being those under Cotton, Metals, Coal, Sugar, and Kerosine Oil.

Biscuits and Confectionery.—The imports of *biscuits* rose 15 per cent., i.e., from 1,485,805 lb. in 1911 to 1,714,656 lb. in 1912. The import of *confectionery* was 1,309,078 lb., or about 20 per cent. more than in the preceding year.

Cement.—The demand for cement declined in quantity from 361,088 cwt. in 1911 to 318,996 cwt. in 1912.

Coal imports have increased from 665,047 tons to 885,661 tons during the same period.

Cotton, Manufactured and Raw.—Imports were valued at Rs. 14,109,396, an increase of Rs. 2,855,533 over the previous record year 1911. There were appreciable increases under bleached, gray, and printed piece goods from the United Kingdom and dyed piece goods from British India, Holland, and the United Kingdom.

Grain.—The quantity of rice cleared for home consumption during the year was more than in the previous period, the figures being : 1911, 6,897,034 cwt. ; 1912, 7,089,690 cwt.

Horses and Motor Cars.—The number of motor cars imported during the year was 239, as against 213 in 1911, 151 in 1910, 75 in 1909, and 89 in 1908.

The ever-increasing popularity of motoring is reflected in the imports of *petrol*. The following are the figures since 1909 :—1909, 66,208 gallons ; 1910, 136,646 gallons ; 1911, 206,028, gallons ; 1912, 216,714 gallons.

Only 384 *horses* were imported in 1912, as against 796 in 1910 and 483 in 1911.

Kerosine oil imports amounted to 4,917,895 gallons, of which 4,144,268 consisted of bulk oil and the balance case oil. Their total increased by about 12 per cent. over 1911.

Lamps.—The total number imported was 234,630, as against 204,843 in 1911. The average value entered at the Customs ranged from about Re. 1·50 for English lamps to 6 cents for small glass kitchen lamps from Japan.

Metals and Metalware.—The total value of imports was Rs. 8,950,518, an increase of Rs. 1,374,053 over 1911.

The most noticeable increases were in *hardware* (2½ lakhs), *iron, galvanized* (5 lakhs), *hoop iron* (1 lakh), and *cast steel* (2 lakhs) ; while *steelware* showed a fall of ¼ lakh.

Manure.—The total quantity imported in 1912 was 77,664 tons, as against 80,000 tons in 1911. Ground nut cake manure was imported in by far the largest quantity (13,500 tons). The other manures which contribute mainly to this year's total are castor seed poonac (10,200 tons), fish manure (12,260 tons), bone manure (8,100 tons), and basic slag (6,800 tons).

Silk manufactures of all kinds show an advance of 18 per cent., the figures being : 1911, Rs. 664,444 ; 1912, Rs. 786,524.

Spirits.—The quantity imported rose from 333,205 gallons in 1911 to 513,798 gallons in 1912, due principally to larger imports of arrack from India.

The imports of whisky also show an increase over 1911, while gin and brandy show a decrease of 7,282 gallons and 6,782 gallons respectively.

Sugar.—The imports of candy and refined sugar show an increase of 50,888 cwt. (or about 14 per cent.) on the imports of the previous year. Java and Hong Kong, the two chief suppliers, sent together 92 per cent. of the total for 1912. Unrefined sugar has increased nearly 24 per cent., while the imports of palm and jaggery were slightly more than in 1911.

Tobacco, Cigars, and Cigarettes.—The increase of the duty on manufactured tobacco from 40 cents a pound to Re. 1·40 a pound in December, 1910 (i.e., an increase of 250 per cent.) sent the imports down with a run ; but both tobacco and cigars and cigarettes show an increase for 1912. The figures for the last three years are :—

		Cigars and Cigarettes. lb.		Manufactured Tobacco. lb.		Total. lb.
1910	..	258,571	..	117,873	..	376,444
1911	..	215,756	..	38,788	..	254,544
1912	..	324,966	..	54,765	..	379,731

Wines.—There was an increase of 4,047 gallons in the total quantity cleared for home consumption. All kinds shared in the increase, except port and ginger wine.

The following table shows the relative positions of the various countries which export goods to Ceylon (the percentages being percentages of value) :—

Countries.	1910. Per Cent.	1911. Per Cent.	1912. Per Cent.
British India ..	43·83	46·92	45·81
United Kingdom ..	27·35	26·84	28·76
Straits Settlements ..	6·9	5·75	3·81
Germany ..	2·77	3·11	3·37
Burma ..	4·73	2·96	2·37
Japan ..	1·17	1·38	2
Java ..	1·19	1·25	1·86
Maldiv Islands ..	1·45	1·34	1·29
Hong Kong ..	1·21	1·3	1·27
United States of America ..	1·05	1·39	1·11
Holland ..	·62	·82	·92
France ..	·68	·82	·74
Belgium ..	·62	·76	·7
Borneo (excluding British) ..	1·15	·39	·63
Victoria ..	·57	·5	·51
South Australia ..	·64	·57	·49
Austria ..	·68	·61	·49
Siam ..	·7	·39	·48
Russia in Asia ..	·07	·44	·47
Switzerland ..	·38	·43	·4
Western Australia ..	·32	·17	·39
Italy ..	·31	·38	·37
India (excluding British) ..	·42	·53	·31
New South Wales ..	·16	·17	·21
China (excluding Hong Kong) ..	·12	·14	·17
Sweden ..	·23	·16	·16

If we exclude India, whose pride of place is of course due to the enormous supplies of rice and other food stuffs for the native population, the most striking feature of the table is the easily maintained pre-eminence of the United

Kingdom, in spite of all foreign competition. She possesses nearly nine times the trade of the nearest foreign rival. That rival, however (Germany), is steadily advancing, and her place in the table should really be third, as a large proportion of the figure for imports from the Straits represents rubber, which is of course an "import" only in name, being soon transhipped again. Japan occupies the second place among foreign countries.

Exports.

Ceylon's chief export products in order of value are as follows :—

	Lakhs of Rupees.			Lakhs of Rupees.	
	1911.	1912.		1911.	1912.
Tea ..	849	838	Cocoa ..	23	27
Rubber ..	283	521	Coir fibre ..	13	17
Coconut oil ..	131	105	Coconuts ..	11	12
Copra ..	131	100	Citronella oil ..	10	11
Plumbago ..	66	83	Coir yarn ..	11	11
Desiccated coconuts ..	70	66	Tobacco ..	8	8
Cinnamon ..	20	28	Cardamoms ..	6	8
Arecanuts ..	24	28	Poonac ..	9	7

For the first time the value of rubber has exceeded the total value of the products of the coconut palm exported. The growth of rubber exports is so rapid that they may fairly be expected to reach the head of the table within the next two or three years. Copra, desiccated coconuts, arecanuts, cocoa, and coir yarn have each fallen a place; while coconut oil, plumbago, citronella oil, tobacco, and cardamoms have correspondingly improved their position. Cinnamon, which occupied the ninth place last year, is now seventh in the list. Poonac has fallen from the fourteenth to the last place. Coir fibre and coconuts have maintained their positions.

Tea exports show an increase in quantity on 1911, but failed to reach the high quantity level of 1909. The average price was lower in 1912 than in 1911. The quantity figures for the last few years exhibit a noteworthy stability :—

	Million of lb. exported.			Million of lb. exported.	
	1907	1908		1910	1911
1907 ..	182	180	1910 ..	182	186
1908 ..	180	192½	1911 ..	186	192
1909 ..	192½		1912 ..	192	

The following table shows the comparative distribution, 1911 and 1912 :—

Principal Markets for Ceylon Tea.

	1911. lb.	1912. lb.	Increase. lb.	Decrease. lb.
United Kingdom ..	112,510,272	115,806,997	3,296,725	—
British Colonies—				
British India ..	1,670,310	2,065,778	395,468	—
Canada ..	8,102,728	8,464,715	361,987	—
Cape Colony ..	530,542	719,609	189,067	—
Hong Kong ..	432,297	204,197	—	228,100
Malta ..	214,504	206,829	—	7,675
Natal ..	962,270	1,090,327	128,057	—
Newfoundland ..	212,064	627,246	415,182	—
New South Wales ..	8,099,003	9,001,341	902,338	—
New Zealand ..	4,661,226	5,046,598	385,372	—
Queensland ..	1,054,964	949,538	—	105,426
South Australia ..	1,183,966	1,327,699	143,733	—
Straits Settlements ..	511,082	530,216	19,134	—
Victoria ..	6,313,501	7,018,699	705,198	—
West Australia ..	704,312	798,244	93,932	—
Other British Possessions ..	444,517	488,414	43,897	—
Total British Possessions ..	35,097,286	38,539,450	3,783,365	341,201
Deduct Decrease ..			341,201	
Nett Increase ..			3,442,164	

	1911. lb.	1912. lb.	Increase. lb.	Decrease. lb.
Foreign Countries—				
Austria ..	235,038 ..	319,942 ..	84,904 ..	—
China (excluding Hong Kong)	5,569,550 ..	6,492,339 ..	922,789 ..	—
Egypt ..	327,957 ..	613,614 ..	285,657 ..	—
France ..	771,784 ..	865,958 ..	94,174 ..	—
Germany ..	663,453 ..	697,248 ..	33,795 ..	—
Russia in Asia	8,253,306 ..	6,084,834 ..	—	2,168,472
Russia in Europe	12,174,367 ..	11,052,787 ..	—	1,121,580
Turkey ..	125,921 ..	252,403 ..	126,482 ..	—
United States	10,151,479 ..	10,507,521 ..	356,042 ..	—
Other Foreign Countries	713,642 ..	786,498 ..	72,856 ..	—
Total Foreign Countries ..	38,986,497	37,673,144	1,976,699	3,290,052
			Deduct Increase ..	1,976,699
			Nett Decrease ..	1,313,353
Grand Total ..	186,594,055	192,019,591	5,425,536 ..	—

The principal increases were in exports to the United Kingdom, China, New South Wales, Victoria, and Newfoundland; while the principal decreases were under Russia in Asia and Russia in Europe.

The total exports of *green tea* in 1912 were 8,093,131 lb., as against 8,657,117 lb. in 1911.

Products of the Coconut Palm.—The total value of the exports under this head was 324 lakhs, as against 380 lakhs in 1911. The three principal products are coconut oil, copra, and desiccated coconuts. The exports of all three show a falling off as compared with 1911, and, except in the case of desiccated coconuts, are the lowest since 1908 :—

	Desiccated Coconuts. Cwt.	Copra. Cwt.	Coconut Oil. Cwt.		Desiccated Coconuts. Cwt.	Copra. Cwt.	Coconut Oil. Cwt.
1908 ..	244,734 ..	768,795 ..	670,121 ..	1911 ..	292,210 ..	821,814 ..	505,016 ..
1909 ..	230,791 ..	784,522 ..	599,795 ..	1912 ..	278,806 ..	614,089 ..	401,779 ..
1910 ..	242,286 ..	758,711 ..	619,680 ..				

The average price for coconut oil was Rs. 26·35 per cwt., and is the highest for the last five years, with the exception of 1910. During the year the price of copra ranged from Rs. 78·50 to Rs. 88 per candy.

Rubber.—Ceylon exported over twice as much rubber in 1912 as in 1911, the actual figures being—

	Cwt.
1910 ..	33,952
1911 ..	61,212
1912 ..	132,569

The distribution of the rubber among the two largest buyers is as follows for the past two years :—

	1911. Per Cent.	1912. Per Cent.
United Kingdom ..	55·59 ..	55·2 ..
United States of America ..	29·44 ..	31·67 ..

The average value entered in 1912 was Rs. 3·51 per lb., as against Rs. 4·13 per lb. in 1911.

The new Medical Aid Ordinance enacted in 1910 provides for an export levy on rubber, similar to that derived from tea. Up to the end of 1912, however, no duty had been actually imposed.

The following table gives the proportions of Ceylon produce and manufactures taken by the principal countries during the last three years :—

Countries.	1910.		1911.		1912.	
	Per Cent.		Per Cent.		Per Cent.	
United Kingdom ..	47·41	..	48·61	..	49·45	..
United States of America ..	13·52	..	13·89	..	16·58	..
Germany ..	9·72	..	9·44	..	7·08	..
Russia in Europe ..	6·27	..	5·02	..	3·61	..
Belgium ..	2·43	..	3·23	..	3·34	..
British India ..	2·83	..	2·88	..	2·86	..
New South Wales ..	2·51	..	2·37	..	2·28	..
Victoria ..	2·16	..	1·95	..	2·11	..
Canada ..	2·01	..	2·27	..	2·09	..
China (excluding Hong Kong) ..	1·65	..	1·5	..	1·49	..
Russia in Asia ..	1·9	..	2·21	..	1·39	..
New Zealand ..	1·29	..	1·34	..	1·24	..
Austria ..	1·38	..	·54	..	·83	..
Denmark ..	·18	..	·15	..	·65	..
Norway ..	·29	..	·2	..	·45	..
France ..	·58	..	·51	..	·41	..
Spain (excluding Gibraltar) ..	·3	..	·25	..	·35	..
South Australia ..	·35	..	·35	..	·33	..
Straits Settlements ..	·37	..	·32	..	·3	..
Egypt ..	·24	..	·16	..	·3	..
Natal ..	·31	..	·32	..	·3	..
Queensland ..	·29	..	·34	..	·26	..
Cape Colony ..	·21	..	·23	..	·26	..
Holland ..	·31	..	·3	..	·25	..

The United States of America have materially improved their percentage over last year. Canada, which in 1911 was eighth on the list, has fallen one place; while Victoria has advanced from the tenth to the eighth place.

Customs Duties.

All imports not specially rated or exempted by the Tariff are liable to a Customs duty of 5½ per cent. *ad valorem*.

Tea, cocoa, and coffee are liable to an export duty of 10 cents per cwt., and cinchona to an export duty of 5 cents per cwt. under the Medical Wants Ordinance; and by a recent amendment of that Ordinance such products as rubber, cardamoms, coca, camphor, and pepper may also be similarly taxed. These additional products had not, however, up to the end of 1912 been subjected to any tax.

(B) MINES, MANUFACTURES, AND FISHERIES.

(a) *Pearl Fishery.*

No pearl fishery was held during the year under review, and it is uncertain when the next fishery may be held. The last was held in 1907. This was the second fishery held after the lease of the pearl banks to the Ceylon Company of Pearl Fishers, Ltd., but the first actually carried out by the Company. Since then the periodical inspections of the pearl banks made by the Company showed an absence of oysters or spat. Meanwhile the Company found that its remaining funds were insufficient to meet its obligations under the lease, and accordingly approached Government for a modification of the terms of payment of the annual rent. The lease was eventually terminated in 1912, and the plant, stores, &c., of the Company were taken over by the Ceylon Government as from July 8, 1912.

(b) *Mineral Survey.*

The Principal Surveyor returned from sick leave in March, 1912, accompanied by Mr. E. J. Wayland, F.G.S., as assistant, and the examination of promising alluvial deposits was continued. Exhaustive tests of the valley of the Denawak-ganga, in which thorianite had been reported, showed that the mineral is nowhere present in paying quantities. Systematic prospecting of the country between Haputale and Balangoda failed to reveal any minerals of economic importance, and deposits of thoria minerals discovered in the district between Haputale and Welimada proved to be commercially valueless.

Preparations were made to test the reputed auriferous gravels of the Sitawaka and Kelani rivers by boring with a Keystone drill, but owing to delay in delivery the machinery was not ready for work before the break of the north-east monsoon, and this work could not be begun till near the middle of December.

(c) *Mining.*

Plumbago.—Plumbago provides the only form of mining proper in Ceylon. Approximately 450 plumbago mines in all were worked during the twelve months, giving employment to some 11,050 men. Of these, three only are in European hands. Generally speaking, the methods employed are primitive, though some of the larger mines are adopting more up-to-date appliances. The mining centres are situated in the Southern, Western, Sabaragamuwa, Central, and North-Western Provinces. In the last-named Province some mines have been sunk to a depth of nearly 200 fathoms, and there is every indication of their being sunk to even greater depths with increased success.

The quantity of plumbago exported rose from 538,973 cwt. in 1911 to 654,650 cwt. in 1912. Of this total, the United States of America took 47 per cent. as against 41 per cent. in 1911, Germany 25 per cent. as against 27, the United Kingdom 16 per cent. as against 19, and Belgium a percentage of 9 for each year. The average price was higher than in 1911, large and ordinary lumps showing an increase of Rs. 9·52, and chips, dust, and flying dust of Rs. 8·18 per ton. The increase in the export to America may be attributable in part to prosperity in the steel trade, but there is no doubt that the competition of the Korean product still continues. It is, however, noteworthy that Japan imported 4,407 cwt. of Ceylon plumbago, as against 35 cwt. in 1910 and 814 cwt. in 1911.

Gemming.—With the exception of moonstones and garnets, gems are not obtained *in situ* in Ceylon, but from gravels deposited by streams and rivers. There are two large moonstone pits in the Kandy District. Other precious stones, such as rubies, cat's-eyes, sapphires, &c., are gemmed chiefly in the Ratnapura District.

(d) *Salt.*

The manufacture and collection of salt is a Government monopoly, and is protected by the imposition of a heavy duty on imported salt. Salt is sold at all salt stores at Rs. 3 per cwt., and the sum of Rs. 1,522,542·73 was realized by its sale in 1912, as compared with Rs. 1,631,380·59 in 1911 and Rs. 1,530,570·26 in 1910. The year was not favourable for the production of salt owing to premature rain. At Trincomalee, however, where collection was a total failure in 1911, there was a collection of 43,344 cwt. consequent on favourable weather. Although no restriction was placed on the output, the total yield for the Island amounted only to 276,781 cwt. The quantity secured in 1910 (the record year) was 759,396 cwt., and in 1911 328,199 cwt.

(e) Manufactures.

Ceylon is essentially an agricultural country, and its manufactures on any large scale are chiefly confined to the products of agriculture. Out of 1,112 factories in the Island, 872 or 78 per cent. are tea factories, 76 coconut fibre and desiccating, 23 cocoa, and 41 rubber. Particulars of their output are given under "Exports." The preparation of coconut oil, copra, and arrack gives employment to a large number of the inhabitants, and so to a less extent does that of citronella oil and cinnamon.

In the Northern Province cigars are manufactured, but there is increasing competition from cigarettes. The Jaffna cigar, which is small, strong, and extremely cheap, is a favourite with the native population.

Cigars from Dumbara in the Central Province have been manufactured on a small scale to suit the requirements of European taste. But no expansion of the tobacco industry can be expected without improved methods of growing and curing. Experiments in this direction are being pursued.

The manufacture of tiles and bricks is carried on in all parts of the Island where suitable clay is plentiful, but only Rs. 188 worth of Ceylon manufactures under this head were exported in 1912, as against Rs. 3,595 in 1911.

The weaving of a coarse kind of cloth in hand looms is carried on in the Eastern, Northern, and Central Provinces to supply purely local wants. The cloth, though strong and of hard wearing quality, is inferior in texture and finish to imported material. Lace-making is carried on in the Western Province.

In other districts baskets, tortoise-shell boxes, and combs are manufactured, and common earthenware for water pans and cooking utensils to meet local requirements.

Excellent furniture is made in the Western Province, especially at Moratuwa.

Jewellery of very fine workmanship is made in the Northern Province, but on a very small scale. It is a species of filigree work, prized by the Tamil population of the Island.

The indigenous crafts peculiar to the Kandyan country, i.e., silver and brass work, the making of jewellery, earthenware, and painted pottery, lacquer work, and ivory carving, continue to receive encouragement from the Kandyan Art Association. Specimens of these articles are kept in the Kandyan Art Museum, where they can be purchased.

Brass lamps, betel stands, plates, cooking utensils, and water pots are made in the North-Western and Eastern Provinces and at Negombo in the Western Province.

In the Mannar District of the Northern Province the drying and salting of fish gives employment to a large number of people. In 1912 about Rs. 240,000 worth of dried fish was exported from the Mannar District.

*(c) AGRICULTURE.**The Department of Agriculture.*

The Department of the Royal Botanic Gardens was superseded by the Department of Agriculture in May, 1912, on the arrival of Mr. R. N. Lyne to take up the new appointment of Director of Agriculture. The staff of the old Department was absorbed into the new, several important additions being made and the Department re-organized on a completely new footing, designed to meet the needs of the planting community, of native agriculture, and of research work.

Four young men have been sent by the Government to Poona College with a view to their forming eventually the nucleus of a staff for the agricultural education of the villager.

Co-operative Credit Societies.

Interest is beginning to be taken by the people of Ceylon in the Co-operative Credit Societies movement, and societies are springing up in various parts of the Island. The villagers are beginning to understand that relief from the excessive usury to which they are subject may be obtained through the medium of these societies.

The Agricultural Society.

The total number of subscribers is 1,704—828 local and 876 foreign.

The "Tropical Agriculturist" was at the end of the year acquired by the Society from Messrs. A. M. & J. Ferguson.

The Sinhalese Agricultural Magazine (Govikam Sangarawa) has a circulation of 3,250.

The number of Agricultural Instructors has been increased to twelve.

The effort at arousing interest through shows reached its climax in the All-Ceylon Exhibition which was held in July, 1912.

A cotton trial at Ambalantota in the south of the Island proved very successful, and encourages the belief that this product will thrive in that district. The variety grown was Allen's long staple American Upland, and the yield was 1,040 lb. of lint per acre.

The dissemination of improved varieties of fruit and vegetables is being continued; while the improvement of native methods of tillage, the introduction of transplanting and manuring in paddy growing, and of rotations in dry land cultivation are the chief concern of the Instructors.

The Board of Agriculture has taken energetic steps towards promoting the scheme for a College of Tropical Agriculture in Ceylon.

Position of Agricultural Industries.

The rubber industry was marked by steady progress. The export for the year amounted to 14,847,735 lb., as against 6,855,709 lb. in 1911.

Estimating that in the East 950,000 acres are under rubber, Ceylon may be credited with 200,000 acres.

The average price obtained in London was 4s. 8d. per lb.

The general condition of tea estates throughout the Island shows no deterioration. Cultivation has been well maintained, and the market has been good. Extensions to the tea area continue, but not to an extent likely to upset the balance of supply and demand.

The exports were 192,019,591 lb., as against 186,594,055 lb. in 1911.

The coconut crops of 1912 were shorter than they should have been owing to the drought of the two previous years. This loss was compensated by the steady prices maintained for all coconut palm products in 1912.

Cocoa passed through one of its best years. The exports amounted to 71,754 cwt. Prices were on the whole higher than in previous years. Good beans were during the latter part of the year selling at Rs. 72 per cwt.

The cardamom exports for 1912 were 440,000 lb., the shortest crop for many years. There has been a general falling off since 1909, due to want of rain during the blossoming period. Prices, however, were satisfactory. In Colombo well-bleached seed fetched Rs. 2.50 to Rs. 3 per lb., while the London average was about 4s.

The price of cinnamon during the year was good; fine grades fetched 90 cents and over. 53,086 cwt. were exported, as against 51,897 cwt. in 1911.

There was a decline in citronella cultivation, due to some of the citronella land having gone under rubber. The exports of citronella oil were 1,487,276 lb., as against 1,533,744 lb. in 1911.

Diseases of Animals.

Cattle.—Rinderpest prevailed chiefly in the North-Central and North-Western Provinces during April, May, and June. The total number of cases for the whole Island during 1912 was 9,103, of which 2,290 recovered, 6,096 died, and 717 were shot.

Foot-and-mouth Disease.—There were 485 cases reported, of which 470 recovered and 15 died.

Dogs.—In the year under review there were 60 cases of rabies reported, of which 48 gave positive results upon bacteriological examination and the other 12 negative. 46 persons went from Ceylon to the Pasteur Institute, Coonoor, for treatment.

(D) LAND GRANTS AND GENERAL VALUE OF LAND.*Land Settlement.*

The Land Settlement Department is concerned with the settlement of title to lands as between the Crown and the subject.

During the year 1912 an area of about 96,000 acres was settled. Almost all claims continue to be settled without recourse to litigation.

The confidence of the people in the fairness of the settlements offered continues, and the increased facilities for acquiring land from the Crown are appreciated.

Survey.

The operations of the Survey Department for the period under review comprised 44,715 acres of block survey.

Forty-eight applications to purchase Crown land for rubber cultivation were dealt with during the period, covering 2,396 acres, chiefly in the Western, Southern, Uva, and Sabaragamuwa Provinces. In 1911 such applications numbered thirty-four, covering 1,079 acres.

Mannar town survey and the Mantivu island survey (acquisition for leper establishment) were completed during the year.

All lands sold are now permanently demarcated in accordance with the Land-marks Ordinance.

Land Sales.

Except in special cases, the alienation of Crown land in Ceylon is effected by the sale of the freehold at public auction. There is no general system of leaseholds. Where occupiers can prove prescriptive possession against the Crown, certificates of quiet possession are issued; and where the occupation has been for less than the prescriptive period, settlements may be effected on special terms.

The total extent of Crown land sold during 1912 was 30,692 acres, and the amount realized, including fees, Rs. 1,649,367.

The figures for the last five years are :—

				Extent sold.		Amount realized.
				Acres.		Rs.
1908	..	..	..	25,080	..	907,630
1909	..	..	..	28,828	..	991,866
1910	..	..	..	30,673	..	1,273,889
1911	..	..	..	27,947	..	1,269,597
1912	..	..	..	30,692	..	1,649,367

Omitting sales and settlements effected by the Land Settlement Department, the area alienated by the Government Agents during the twelve months included an extent of 4,356 acres in the Southern Province, 3,979 acres in the Western, 2,888 acres in the North-Western, and 1,544 acres in the Province of Uva.

The average price paid per acre ranged from Rs. 15 in the North-Central Province to Rs. 166 in the Western. In the principal coconut, rubber, and tea districts of the low-country, other than the Western Province, the average prices were: Jaffna Rs. 30, Batticaloa Rs. 36, Kurunegala Rs. 44, Puttalam Rs. 92, Matara Rs. 122, and Galle Rs. 147. In the tea and rubber districts of the Kandyan Provinces average prices ranged from Rs. 25 in Ratnapura and Rs. 27 in Uva to Rs. 46 in Matale, Rs. 84 in Kandy, and Rs. 89 in Kegalla.

(E) SHIPPING.

The total number of all vessels (including warships) which entered the ports of the Island in 1912 was 4,352, with a tonnage of 9,916,597 tons, showing a decrease of 3 vessels and an increase of 354,620 tons as compared with 1911.

The following table gives the total number and nett tonnage of shipping entered and cleared at all ports in Ceylon during the years 1911 and 1912 :—

	1911.			
	Entered.		Cleared.	
	No.	Tons.	No.	Tons.
Merchant vessels (with cargo and in ballast) ..	2,410 ..	7,387,615 ..	2,385 ..	7,363,938
Merchant vessels (called to coal)..	691 ..	1,872,580 ..	691 ..	1,873,141
Native sailing vessels ..	1,203 ..	90,306 ..	1,203 ..	94,905
Warships ..	51 ..	211,476 ..	51 ..	211,476
Total ..	4,355	9,561,977	4,330	9,543,460

1912.			
Merchant vessels (with cargo and in ballast) ..	2,430 ..	7,610,101 ..	2,453 .. 7,617,784
Merchant vessels (called to coal)..	764 ..	2,032,397 ..	763 .. 2,030,048
Native sailing vessels ..	1,120 ..	96,989 ..	1,101 .. 95,268
Warships ..	38 ..	177,110 ..	38 .. 177,110
Total ..	4,352	9,916,597	4,355 9,920,210

Omitting warships and vessels calling to coal, the following tables give the distribution according to nationality, inwards and outwards, during 1912 :—

Entered.

Nationality.	With Cargo.		In Ballast.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
British ..	1,251 ..	3,794,123 ..	386 ..	1,245,493 ..	1,637 ..	5,039,616
Colonial ..	872 ..	76,198 ..	136 ..	7,588 ..	1,008 ..	83,786
German ..	166 ..	556,722 ..	55 ..	258,947 ..	221 ..	815,669
French ..	83 ..	267,929 ..	46 ..	161,696 ..	129 ..	429,625
Maldivian ..	110 ..	12,870 ..	2 ..	333 ..	112 ..	13,203
Japanese ..	88 ..	367,301 ..	6 ..	24,597 ..	94 ..	391,898
Austrian ..	63 ..	200,346 ..	26 ..	61,730 ..	89 ..	262,076
Dutch ..	10 ..	13,897 ..	75 ..	236,563 ..	85 ..	250,460
Russian ..	13 ..	37,741 ..	52 ..	141,980 ..	65 ..	179,721
Norwegian ..	31 ..	47,770 ..	3 ..	95 ..	34 ..	47,865
Italian ..	24 ..	65,302 ..	3 ..	9,063 ..	27 ..	74,365
Spanish ..	6 ..	15,457 ..	21 ..	51,418 ..	27 ..	66,875
Danish ..	15 ..	34,696 ..	4 ..	10,485 ..	19 ..	45,181
Siamese ..	2 ..	4,463 ..	— ..	— ..	2 ..	4,463
Swedish ..	— ..	— ..	1 ..	2,287 ..	1 ..	2,287
Total ..	2,734	5,494,815	816	2,212,275	3,550	7,707,090

Cleared.

Nationality.	With Cargo.		In Ballast.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
British ..	873	2,832,400	789	2,217,406	1,662	5,049,806
Colonial ..	409	32,463	590	50,896	999	83,359
German ..	172	622,080	49	193,589	221	815,669
French ..	71	228,611	58	201,014	129	429,625
Maldivian ..	25	3,291	77	8,618	102	11,909
Japanese ..	79	336,582	14	53,709	93	390,291
Austrian ..	48	154,651	41	107,425	89	262,076
Dutch ..	12	31,159	72	218,401	84	249,560
Russian ..	58	161,385	7	18,336	65	179,721
Norwegian ..	1	757	33	47,108	34	47,865
Italian ..	15	38,877	12	35,688	27	74,365
Spanish ..	23	56,868	4	10,007	27	66,875
Danish ..	16	39,102	3	6,079	19	45,181
Siamese ..	1	2,234	1	2,229	2	4,463
Swedish ..	—	—	1	2,287	1	2,287
Total ..	1,803	4,540,260	1,751	3,172,792	3,554	7,713,052

Taking the figures inwards, we get the following comparative distribution according to nationality for 1911 and 1912 :—

	1911.		1912.	
	No.	Tons.	No.	Tons.
British ..	1,608	4,693,429	1,637	5,039,616
British Colonial ..	1,074	75,516	1,008	83,786
Total British Ships ..	2,682	4,768,945	2,645	5,123,402
German ..	238	944,461	221	815,669
French ..	137	448,025	129	429,625
Maldivian ..	131	14,856	112	13,203
Japanese ..	96	408,456	94	391,898
Austrian ..	69	219,916	89	262,076
Dutch ..	87	265,952	85	250,460
Russian ..	72	174,870	65	179,721
Norwegian ..	30	46,952	34	47,865
Italian ..	32	85,832	27	74,365
Spanish ..	26	61,387	27	66,875
Danish ..	9	19,348	19	45,181
Siamese ..	4	8,921	2	4,463
Swedish ..	—	—	1	2,287
Total Foreign Ships ..	931	2,698,976	905	2,583,688

The decrease apparent in the total of British ships is due to a falling off of Colonial sailing vessels. The decrease apparent in the total of foreign ships is mainly due to a difference of 19 Maldivian vessels and 17 German between the two years under comparison. But this is in part compensated by an increase of 20 Austrian and 10 Danish. British steamers continue to predominate both in number and tonnage, the increase in steamers being 29 and in tonnage 346,187 tons.

The figures below give the number and nett tonnage of British and foreign vessels entering the port of Colombo during each of the past five years, including vessels which called to coal :—

	No.	Tons.
1908 ..	3,005	7,525,824
1909 ..	2,983	8,091,423
1910 ..	3,339	8,847,184
1911 ..	3,299	8,920,552
1912 ..	3,397	9,370,843

III.—LEGISLATION.

Among the new Ordinances passed during 1912 were :—

“The Chamber of Commerce (Amendment) Ordinance, No. 2 of 1912.”—The Ordinance of 1895 allowed five Directors (excluding the Chairman and Vice-Chairman). The new Ordinance provides for the appointment of not less than five nor more than ten Directors (excluding the Chairman and Vice-Chairman). The object of the change is to permit of every section of trade and commerce being represented on the Committee or Board.

“The Public Performances Ordinance, No. 7 of 1912.”—This Ordinance provides general powers for the prevention of objectionable performances, and for the protection of the public against the danger of fire, overcrowding, or disorder.

“The Excise Ordinance, No. 8 of 1912.”—This Ordinance was framed in conformity with the terms of a resolution adopted by the Legislative Council, which affirmed the expediency of altering the existing system of arrack and toddy renting and introducing a system of Excise on the lines followed in Madras, or an adaptation thereof to local conditions. The Ordinance deals in a comprehensive manner with the whole question of the manufacture and sale of intoxicating liquor of all kinds. It has also been made applicable to intoxicating drugs, such as bhang and ganja, bringing them under Excise control. Opium is excluded from its operation.

“The Medical Wants Ordinance, No. 9 of 1912.”—The object of this Ordinance was to consolidate the legislation relating to the medical wants of planting districts, and at the same time to introduce certain amendments. Under the existing law the system of medical aid extended only to immigrant labourers; under the new Ordinance it extends to all resident labourers, whether immigrant or native. The financial scheme of “The Medical Wants Ordinance, 1900,” has been re-adjusted so as to bring it into harmony with existing conditions. Special provision has been made to check infant mortality upon estates.

“The Diseases (Labourers) Ordinance, No. 10 of 1912.”—This Ordinance aims at the protection of labourers who are housed together in definite localities in such circumstances that any infectious disease which may break out among them is liable to assume an epidemic character. When any infectious or contagious disease breaks out upon any estate in a severe form the estate is to be visited by a District Medical Officer, who is to give the necessary directions for the treatment of the labourers either on the estate or in the hospital.

“The Game Protection (Amendment) Ordinance, No. 13 of 1912.”—The Ordinance provides—

- (1) Means for relaxing the restrictions on the shooting of wild elephants where they have become so numerous as to be a menace to the safety of the inhabitants of any district or to their crops or produce;
- (2) Enhanced penalties for the breach of a condition endorsed on a license;
- (3) For dealing with cases in which there is good reason to believe that a person is in possession of a tusker that has been unlawfully captured;
- (4) For dealing with the unlawful possession of game during the close and open seasons.

“The Lepers (Amendment) Ordinance, No. 15 of 1912.”—The object is to afford similar protection to the property of lepers detained under the Leper Ordinance, as is afforded to the property of minors and lunatics by the Civil Procedure Code.

"The Aerial Navigation Ordinance, No. 18 of 1912."—The Ordinance provides for the protection of the public, and also of the State, against the dangers which might arise through the use of aircraft with a view to observing military works.

An Ordinance further to amend "The Prevention of Cruelty to Animals (Amendment) Ordinance, No. 19 of 1912."—This Ordinance confers power on Municipal Magistrates and Village Tribunals, in addition to Police Magistrates, to make an order for the treatment of sick or injured animals in an infirmary. It also authorizes the appropriation of fines imposed under the Ordinance to the Society for the Prevention of Cruelty to Animals.

"The Land Acquisition (Amendment) Ordinance, No. 25 of 1912."—The object of the Ordinance is to allow of land being acquired for public purposes by way of exchange for other land the property of the Crown, instead of a pecuniary compensation, and to allow persons who desire to present land to the Crown for public purposes to do so under the Land Acquisition Ordinance without going through fictitious formalities.

"The Penal Code (Amendment) Ordinance, No. 26 of 1912."—The object is to deal with the Indian betting advertisements which are from time to time published in the local papers.

IV.—GOVERNMENT INSTITUTIONS.

(N.B.—Educational statistics, being for the most part based on the returns of the financial year, are omitted from this Report. See note on page 1.)

(A) HOSPITALS.

There are 76 Government hospitals, in addition to the Lunatic and Leper Asylums, equipped with modern hospital furniture and surgical appliances. The number of beds in the hospitals ranges from 30 to 425.

In addition to the hospitals, there are 418 outdoor Government dispensaries and 279 estate dispensaries supported by the planters, who get their drugs free up to a value of 50 cents per cooly per annum.

(B) MEDICAL INSTITUTIONS.

The Medical College accommodated in 1912 148 medical and 90 apothecary students, these numbers showing a decrease of 3 and increase of 9 respectively as compared with 1911. The full course of training for medical students is five years; a diploma in medicine, surgery, and midwifery (which can be registered in the United Kingdom) is granted to successful students. In association with the College there are a Bacteriological Institute with a small Clinic for Tropical Medicine attached; a laboratory for the Government Analyst; an ophthalmic hospital; a lying-in home; a women's hospital; a children's hospital; and special hospitals for the insane, lepers, and infectious diseases.

(C) ASYLUMS.

The Lunatic Asylum is situated in Colombo. There are 714 inmates.

The Leper Asylum is situated about 6 miles from Colombo, and contains 398 patients. A small establishment for lepers exists in the Eastern Province, and contains 36 patients. A large leper settlement is to be founded there shortly.

In association with Government, a Home for Incurables (containing 80 beds) is worked by a Committee of Government officials and representatives of the public.

(D) POOR HOUSES.

There are no poor houses in Ceylon. In Colombo and some other towns there are Friend-in-need Societies for the relief of distress, and these are subsidized by Government, the Colombo subsidy being Rs. 12,000 per annum. In addition to this, every Government Agent and Assistant Government Agent has an annual vote for "Allowances to Paupers"; the votes vary from Rs. 10,500 in the Colombo District to Rs. 660 in the Nuwara Eliya District; the maximum allowance is Rs. 5 a month.

(E) REFORMATORIES.

There are no Government reformatories in Ceylon, but by an arrangement with the Roman Catholic Mission the Maggona Industrial School is used as a reformatory for youthful offenders.

(F) SAVINGS BANKS.

There are two Government institutions, and the business of both showed a satisfactory working in 1911.

Ceylon Savings Bank.—The Ceylon Savings Bank had a sum of Rs. 5,380,286 to the credit of 38,146 depositors on December 31, 1912, as against Rs. 5,152,981 to the credit of 37,099 depositors on December 31, 1911.

The amount of the bank's invested funds on December 31, 1912, was Rs. 5,819,677. Interest is allowed on deposits at the rate of 3 per cent. on sums of Rs. 1,000 and over, and 4 per cent. on sums under Rs. 1,000.

Post Office Savings Bank.—At the end of 1912 there was a sum of Rs. 3,571,596.79 to the credit of 101,347 depositors approximately, as against Rs. 3,217,242 to the credit of 93,549 depositors at the end of 1911.

V.—JUDICIAL STATISTICS.

(A) POLICE.

The authorized strength of the Police on December 31, 1912, was 1 Inspector-General, 7 Superintendents, 15 Assistant Superintendents, 24 Inspectors, 44 Sub-Inspectors, 59 Station House Officers, 257 Sergeants, and 2,019 Constables.

In addition, the strength of the European Police was 1 Inspector, 2 Sub-Inspectors, 4 Second Class Sergeants, and 24 Third Class Sergeants.

The cost of the force in 1912 was approximately Rs. 1,200,000.

(B) PRISONS.

There was an increase of 883 in the total number of admissions of convicted prisoners to the prisons of Ceylon during the year 1912, excluding Road Ordinance defaulters, of whom there were 166, as against 191 in 1911. The figures are as follows :—

1911	..	..	..	..	8,538
1912	..	..	..	..	9,421

The convictions for murder and manslaughter were 98, as against 106 in 1911. Of these 98, 48 were sentenced to be hanged. There were 29 executions in 1912, including 5 sentenced to be hanged in 1911. Of the 48 sentenced to be hanged, 43 were Sinhalese, 3 Tamils, 1 Moor, and 1 Malay. 19 convicts were deported to the Andamans for life.

There were 7 escapes during the year, and 8 recaptures.

The total number of deaths in jail was 167, as against 315 in 1911 and 238 in 1910—a marked improvement. The death-rate per 1,000 of the prisons population was 10·32, as against 20·98 in 1911 and 16·36 in 1910.

The daily average sick was 115·09, as against 180·82 in 1911 and 148·83 in 1910.

The number of punishments for prisons offences inflicted during the year was 1,199, a slight increase over the figures for 1911, which were 1,151, but lower than the figures for 1910, namely, 1,287.

The total number of individuals punished was 1,159, as against 1,093 for 1911. There were 26 cases of corporal punishment, as against 25 in 1911—an increase of one only.

Prisoners are employed on works of public utility and remunerative industrial labour, the demand for such work being still in excess of the supply. At the large central jail at Welikada the whole of the cloth required for prisoners' clothing is made by prison labour. All boots required for officers are also turned out. All clothing and bedding required by the Medical Health Department is made up free of charge. There are also parties of carpenters, black- and tin-smiths, cane furniture makers, brush, broom, mat, and door rug makers, who execute large Government orders received from the Colonial Storekeeper and other Departments, as well as private orders.

The steam laundry continues to be a success. The total sum spent on the laundry since it was started in 1909 to June 30, 1913, has been Rs. 19,842; this sum includes initial cost, upkeep, and all working expenses. The sum of Rs. 17,763 was for the same period recovered and credited to Revenue, the charge to the Departments using the laundry being merely nominal, namely, 75 cents for every hundred pieces of linen washed. Welikada Prison also sends 240 prisoners daily to the Government Printing Office free of charge. At the convalescent jails at Negombo and Batticaloa prisoners are employed in making baskets for the Public Works Department.

Out of doors prisoners are chiefly employed in quarrying stone and breaking metal for the Public Works and Railway Departments and on reclamation works. At Mahara 540 prisoners are employed in the old quarries for the Harbour Works, while a new quarry was opened at the latter end of the year for the purpose of supplying granite setts and broken metal to the Government Factory Engineer. At Kandy, Galle, Chilaw, Anuradhapura, and Tangalla stone and metal are supplied to the Railway and Public Works Departments.

The Karaiur reclamation at Jaffna has made very good progress, and employs 400 prisoners daily on the works.

The portable prison at Mankulam has been greatly improved and brought into a thoroughly good sanitary condition. The 160 prisoners stationed there are employed in quarrying stone and breaking metal for the Irrigation Department. The prison not only affords useful remunerative labour for a large number of habitual criminals, but has proved a good deterrent.

Owing to the large number of prisoners located at Jaffna and Mankulam, it was found necessary to place the two prisons at these stations under a paid prisons official. This was found feasible without any extra cost to Government by closing the prison at Mutwal in July and transferring the officers and prisoners.

As in 1911, so great has been the demand for prison labour this year on such works as above noted that, notwithstanding the "penal stage" now being only one month, it is at times almost impossible to meet all demands.

(C) CRIMINAL STATISTICS.

I.—*From a Return furnished by the Inspector-General of Police.*

The following table shows the fluctuations of the more important forms of serious crime :—

	1908.	1909.	1910.	1911.	1912.
Murder and homicide ..	201 ..	177 ..	209 ..	182 ..	179
Rape ..	129 ..	130 ..	131 ..	121 ..	80
Robbery ..	1,000 ..	937 ..	1,015 ..	798 ..	505
Burglary ..	2,570 ..	2,456 ..	1,957 ..	1,630 ..	1,582
Grievous hurt ..	329 ..	551 ..	731 ..	680 ..	552
Theft of cattle and prædial products ..	2,079 ..	1,656 ..	1,324 ..	1,366 ..	1,251
Arson ..	499 ..	391 ..	442 ..	383 ..	216

The figures show that there has been a decrease in all classes of crime.

The number of murders is below the average of the last four years. Of the murders, as usual nearly half the number were stabbing cases, and when the causes are examined an almost equal number are found to be due to sudden and unpremeditated quarrels. In 7 cases murder was committed for the sake of plunder, as compared to 2 cases in 1911. 29 cases were due to jealousy, 15 were the outcome of long-standing enmity, and 13 were due to land disputes.

II.—*From a Return furnished by the Solicitor-General.*

The number of cases instituted in the Police Courts and Municipal Magistrates' Courts during the year 1912 was 78,466.

The number of persons dealt with in the above cases was 85,679. The proportion per 100,000 inhabitants was 2,084.

1,527 persons were committed for trial before the Superior Courts. Of these, 19 were discharged on withdrawal of the indictments against them by the Attorney-General, 957 were convicted of various crimes, and the remaining 551 were acquitted.

Taking into account offences of a serious nature which, in certain circumstances, are summarily triable by Police Magistrates, altogether 1,748 persons would appear to have been convicted of serious crime during the year 1912.

Out of the 45 persons convicted of murder, 19 were transported to the Andamans, the sentence of death being commuted.

VI.—VITAL STATISTICS.

(A) POPULATION.

The estimated population of Ceylon on December 31, 1912, was 4,189,000, an increase of nearly 1 per cent. on that of the previous year. The increase was due to the natural excess of births over deaths and to the excess of arrivals over departures of Indian coolies.

The population comprised the various nationalities shown below :—

Nationality.	Numbers.	Percentage of Total Population.
Sinhalese	2,726,800	65·2
Tamils (indigenous)	611,100	14·5
Tamils (immigrants and their descendants)	518,500	12·4
Moors	267,400	6·4
Burghers	27,000	·6
Malays	13,100	·3
Europeans	7,700	·2
Others	17,400	·4

There is an excess of males over females in the population, viz., 113 males to 100 females, as contrasted with England and Wales, where the proportion is 94 males to 100 females.

Births.

The birth-rate for 1912 was 33 per mille, and was lower than the average 38. It appears to be gradually declining. The proportion of births to population in Ceylon is similar to that prevailing in other tropical countries, but considerably higher than the rate (about 25) in England and Wales. There were 105 male to every 100 female births.

Deaths.

The death-rate for the whole Island was 32, and was in excess of the average 28. The Ceylon rate appears to be lower than that of Bombay, but higher than those of Bengal, Madras, Jamaica, British Guiana, while it is more than double the death-rate in England and Wales. The infantile mortality was 215 per 1,000 births compared with an average of 183, and a rate in England and Wales of 105 to 1,000 births.

Snakebite, homicide, and suicide each accounted for 50 deaths per million of the population. There were 29 executions, i.e., 7 per million as compared with 4 per million in England and Wales.

The urban death-rate was 30 per mille, and rose from 9·7 in Nuwara Eliya, the sanatorium of Ceylon, to 67 in Anuradhapura. The lowest rates, as a rule, are found in the towns on the western seaboard.

The tea, rubber, and cocoa estates contain a population of about 578,200, mostly of Tamils immigrant from Southern India. The estate death-rate rose to 40 from an average of 35, and in one district was as high as 72.

(B) PUBLIC HEALTH.

There was a slight improvement in the general health of the population during the year 1912 as compared with 1911, the death-rate being 32·72 as against 34·8 per thousand; the average death-rate between 1898 and 1908 (11 years) was 29 per annum per thousand, that from 1909 to 1911 31·02.

The following figures show the death-rate per thousand for the different Provinces :—

Western	..	..	..	24·6
Central	..	..	..	31·3
Eastern	..	..	..	32·9
Northern	..	..	..	35·6
North-Western	..	..	..	35·6
Southern	..	..	..	35·7
Uva	..	..	..	37·1
Sabaragamuwa	..	..	..	40·1
North-Central	..	..	..	54·1

Causes of Death.—The chief causes of death were fever (chiefly malaria), diarrhœa, dysentery, pneumonia, phthisis. Deaths from enteric fever showed a decrease from the previous year, numbering 461, as against 651, while those classified under the heading *ill-defined* increased to 36,417 from 33,064 in 1911; deaths registered as due to diarrhœa were 17,010 in 1912, as against 17,347 in 1911; dysentery 5,237, as against 4,743 in 1911; phthisis 4,306, as against 4,286 in 1911; and anchylostomiasis 1,843, as against 2,001 deaths in 1911.

There were only 13 deaths from cholera during the year, as against 277 in 1911 and 22 in 1910. Of the 13 deaths, 12 occurred in the Colombo District and the other in Jaffna; deaths from smallpox numbered 15, as against 89 in 1911 and 29 in 1910.

Preventive Measures against Disease.—Measures have been taken for the prevention of malaria by the free distribution of quinine, the circulation of leaflets, and lectures and demonstrations to the public through the officers of the Medical Department and the headmen.

The anti-malarial campaign at Kurunegala in the North-Western Province was continued.

Anchylostomiasis.—This disease, which is extremely prevalent amongst estate coolies, especially in the low-country, has been and is receiving considerable attention on the part of the Inspecting Medical Officers. A large number of estates have been visited by them, the incidence of this disease inquired into, and both prophylactic and medical treatment are being adopted.

Parangi (Yaws) has been treated successfully with Salvarsan in some of the hospitals, and arrangements are in progress to introduce it to other hospitals in parangi-stricken districts.

Vaccination is systematically carried on throughout the Island by a special staff; during 1912 140,501 subjects were vaccinated. The percentage of successful primary vaccination cases to total inspected was 93·3, while the percentage of successful re-vaccination cases was 71·71.

Stringent precautions are taken under the auspices of the Plague Committee to prevent the introduction of plague into Ceylon. The Island has hitherto been immune from the disease. One case of plague in a European was landed at Galle in July, 1912, the patient recovering.

There were 14 deaths from hydrophobia during 1912, as against 38 in 1911. The Ceylon Government gives an annual grant to the Pasteur Institute at Coonoor, and poor persons bitten by rabid animals and unable to meet the expense of the journey are sent there at the cost of the Government. Concerted action is being taken by the local authorities to stamp out rabies by enforcing the registration of dogs and by the destruction of homeless pariahs.

(C) SANITATION.

In the matter of sanitation the large towns are controlled by Municipalities, while others have Local Boards, or come under the Small Towns Ordinance.

The general expense of scavenging is met from rates recovered locally, and loans are made occasionally to local bodies for larger works of permanence, such as water supply, construction of drains, &c., the cost of which they are unable to meet in a lump sum.

The drainage of Colombo has been undertaken by Government at the request of the Municipal Council, the necessary funds being advanced by Government on loan, while further assistance is being given by the contribution of a part of the expenditure as a free grant.

The scheme provides for a complete system of sewers and rain water drains throughout the city, and for the disposal of the sewage by bacterial treatment upon modern lines.

Up to the end of 1912 86 miles of sewers and rain water drains had been laid, and connections had been made thereto from 463 premises.

Water Supply Schemes.—With the assistance of Government, partly by way of grant, partly of loan, various local bodies have undertaken the provision of an improved water supply for the towns under their control. Work on such schemes was in contemplation or in progress during 1912 for the towns of Kurunegala, Batticaloa, Mannar, Puttalam, Chilaw, and Matale.

(D) CLIMATE.

There is a marked variation in climate between the different parts of Ceylon. In the low-country, with a mean temperature of the order of 80° F., a noticeable feature is the small range of both temperature and pressure. There is, however, wide divergence between the moist conditions in the south-west of the Island, where the annual rainfall is often over 100 inches, and the dry zone areas of the north, north-west, and south-east.

Inland, with altitudes reaching 8,000 feet, the temperature is cooler and shows a bigger daily range, there is a corresponding change in vegetation, and the conditions are altogether more akin to those in the temperate zone.

Rainfall, 1912.—This was below normal in the north and north-east and above it in the south and south-west, chiefly owing to heavy rain in November and December.

Ratnapura again heads the list in absolute amount, viz., 149·95 inches, which is practically identical with the average for that station. At the other extreme Jaffna had 30·71 inches on 55 days, or 17·64 inches below its average.

Hambantota, which last year was the driest first class station with 39·3 inches, this year reached 59·48 inches, or 22·6 inches above its average.

Kandy had 75·89 inches on 192 days, being 6·4 inches in deficit; Galle was 10·7 inches in excess.

Colombo Observatory with 101·14 inches on 195 days was well above normal, but it must be remembered that the “average” is not fully established yet for this station. Comparisons with the average of the old Colombo Fort readings are hardly admissible.

Temperature.—The mean temperature for the whole year was highest at Mannar, 83·2° F.; and lowest at Hakgala (near Nuwara Eliya), 58·4° F.

At the Colombo Observatory and at Kandy the mean temperature was 81·0° F. and 76·6° F. respectively.

The highest temperature reached in the Island during 1912 was 100·2° F. on August 10 at Anuradhapura. The highest on record is 103·7° F. at Trincomalee on May 12, 1890.

The highest temperature reached at the Colombo Observatory in 1912 was 96·2° F. on February 28 and March 15.

The mean daily range of temperature, i.e., the mean of the daily difference between the maximum and minimum temperatures, was highest at Badulla, 19·0° F.; and lowest at Galle, 9·5° F.

VII.—POSTAL, TELEGRAPH, AND TELEPHONE SERVICES.

One new post office and eleven new receiving offices were opened during the year 1912. Three offices were converted into combined post and telegraph offices. The total number of offices now is 476, of which 308 are receiving offices for the sale of postage stamps and delivery of letters, while 168 are money order and savings bank offices, and of these 119 are also telegraph offices.

The total estimated number of articles, exclusive of parcels, which passed through the post amounted to nearly 41 millions, against 40 millions in the year 1911.

The total number of parcels dealt with was 658,479, an increase of 69,167 over the previous year. The business done is shown as follows:—

		1911.		1912.
Total number of parcels ..	..	589,312	..	658,479
To the United Kingdom ..	..	12,502	..	14,838
From the United Kingdom ..	..	28,414	..	34,687
To other countries ..	..	38,624	..	47,967
From other countries ..	..	131,382	..	151,403

The following are the figures for money orders:—

		1911.		1912.
	Number.	Value. Rs.	Number.	Value, Rs.
Inland ..	401,636	11,615,385	434,011	13,197,182
Indian ..	248,963	7,587,354	280,227	8,319,899
United Kingdom ..	11,454	521,837	13,259	542,016
Other Countries ..	13,110	965,258	13,626	1,054,834

The increase in telegrams is shown in the following figures :—

	1911.	1912.
Inland	712,990 ..	813,722
Indian	161,736 ..	170,209
Other Countries	87,516 ..	94,868

Postal Improvements.—On the completion of the railway extension from Avissawella to Ratnapura the mails hitherto conveyed by horse and bullock coaches between these two stations were transferred to the railway and an improved service established. Negotiations were concluded for the extension of the value-payable parcel system to the Straits Settlements to come into force from January 1, 1913.

Combined Postage and Revenue Stamps.—New combined postage and revenue stamps were introduced, and the revenue stamps hitherto in use withdrawn from circulation.

Telegraphs.—The work entrusted to the Marconi Wireless Telegraph Company for the construction of a Wireless Telegraph Station at Colombo was completed and the station opened to the public on July 22. This station has a range of 400 knots by day and 1,000 knots by night.

A deferred telegram system was introduced whereby the senders of private telegrams in plain language to the United Kingdom and several other countries can obtain the benefit of a reduction of 50 per cent., such telegrams being transmitted after telegrams charged at full rate have gone forward.

Telegraph rates between India and Ceylon were reduced from 20 cents a word to 12 words for one rupee.

Arrangements were made for the acceptance and delivery of telegrams by telephone at offices connected with telephone exchanges, a fee of 15 cents being charged for each message sent or received in addition to the usual cost of the telegram. The special charge is, however, waived in districts where the telephone has been put into a post office at the expense of private persons.

Telephones.—In 1896, the year that Government took over the Telephone Exchange from the Oriental Telephone Company, there were 130 telephones in use; there are now over 1,300. A telephone trunk line was opened from Kandy to Hatton. Telephone trunk line call offices were opened at Hatton and Kalutara.

VIII.—PUBLIC WORKS.

(A) PUBLIC WORKS DEPARTMENT.

The total expenditure of the Public Works Department for the year 1912 was Rs. 7,581,768—an increase of Rs. 664,963 over 1911.

The total length of roads maintained by the Public Works Department during the year was 3,940 miles, of which 3,631 miles are cart roads and 309 miles are bridle roads.

The special expenditure on roads and bridges for 1912 under the programme of Works chargeable to Surplus Balances amounted to Rs. 348,940.

Amongst the more important works completed during the year were the Wireless Telegraph Station, Colombo; the Hydro-Electric Installation, Nuwara Eliya; new wards at the Anuradhapura Hospital; and a number of new roads.

The following works were in progress, but had not been completed at the close of the year :—The Government Distillery at Kalutara, the new Royal College, the extension to the Treasury and extensions of jetties and Customs premises in Colombo, the Mannar water supply, two important hospitals in the planting districts, and various roads and bridges.

(B) COLOMBO HARBOUR WORKS.

The total expenditure upon the harbour works proper during 1912 amounted to Rs. 1,163,018·53; the total expenditure since the commencement of the South-west Breakwater in 1873, including maintenance charges, being Rs. 44,364,701·15.

New Arm, South-west Breakwater.—This structure, including the lighthouse, was finished by May 1, on which date the commemoration stone recording the completion of the harbour works was laid by His Excellency the Governor.

Graving Dock.—The Dock was occupied on fifteen occasions during the year. The revenue amounted to Rs. 20,576·60, and the expenditure to Rs. 56,088·46.

Patent Slip.—The Slip was used on thirty-five occasions, producing a revenue of Rs. 27,286; the working expenses amounted to Rs. 18,282·90.

Deepening of the Harbour.—In order that there should be ample accommodation in the Colombo harbour for vessels of deep draught when the improvements in the Suez Canal now being undertaken are complete, a dredging scheme to provide mooring berths capable of taking passenger, cargo, and coal steamers of more than the maximum draught which will be allowed to pass through the Suez Canal has been sanctioned by Government. This scheme of dredging necessitated the provision of a new and larger dredger, which it was expected would be delivered in Colombo in time to afford the necessary deep water accommodation early in 1914, by which time the Suez Canal authorities anticipated that vessels of 30 feet draught would be permitted to pass through the canal.

(C) GOVERNMENT RAILWAY.

(The returns of the open line, being based on the financial year, are not dealt with in this Report.)

Extensions.

To Chilaw.—This line is a continuation of the Negombo line, which was opened in December, 1909, and is 27 miles in length. It runs through the thickly populated districts of the west coast, north of Colombo, and will serve the richest coconut district in the Island. The line is constructed to a gauge of 5 ft. 6 in. All stations will be interlocked. The construction of the line was in December, 1912, about half completed. The total estimated cost of the extension is Rs. 3,932,053, and the actual cost up to December 31, 1912, was Rs. 2,180,334.

Ratnapura Extension.—This is an extension of the 2 ft. 6 in. gauge from Avissawella to Ratnapura. The line was completed and opened for traffic throughout by His Excellency Sir Henry MacCallum on April 18, 1912. The total estimated cost of the line was Rs. 2,953,408, and the actual amount debited to the construction funds up to December 31, 1912, was Rs. 2,829,227. There are a few minor works still to complete, the cost of which is light. The line passes through a rich tea and rubber district.

Pelmadulla Extension.—This is a further extension of the narrow gauge line from Ratnapura, in length some 17 miles, and will serve one of the richest rubber districts in the Island. The line throughout follows the valley of the We-ganga. The estimated cost of this extension is Rs. 2,253,414. The construction of the line was sanctioned in June, 1912. The line for the first 7 miles traverses fairly easy country; but after this mileage the ground is very sidelong and broken, necessitating heavy banks and deep cuttings.

Badulla Extension.—The construction of this line was sanctioned by the Secretary of State on November 22, 1912, and the setting out of certain deviations, &c., was taken in hand at once. The line will be 21 miles in length, and traverses throughout hilly and broken country. Steep gradients are necessary

owing to the difference in height of Bandarawela and Badulla, the former town being 4,103 feet above mean sea level, and the latter 2,228 feet. Bandarawela is the present terminus of the Main line. The total estimate for the work is Rs. 5,254,443.

Colombo Stations Extension.—This scheme comprises the construction of new stations at Maradana and the Fort; new railway stores, engine sheds, and yard; totally remodelling the old goods yards; the erection of three new main goods sheds, each 650 feet in length; provision of large cart areas and approaches, all paved with sett paving; the construction of two lake basins with quay walls, and the provision of cranes for same; the construction of two new yards and sheds complete for narrow gauge traffic; the duplication and deviation of the main lines across the lake; and the extension of the narrow gauge line to the Fort. The total estimated cost of these works amounts to Rs. 6,229,234, out of which Rs. 4,280,064 was spent up to December 31, 1912.

Main Line Duplication from Colombo (Base Line Road) to Ragama and from Slave Island to Moratuwa.—This work was far advanced in December, 1912. It included totally new buildings at six stations from Colombo southwards, and large additions to five other stations. The total estimate for the work is Rs. 2,697,356, and the cost up to December, 1912, was Rs. 2,454,783·34.

Sea Coast Protection Works.—To counteract the encroachment of the sea, heavy protection work consisting of tipping heavy rubble blocks varying in size from 13 tons downwards was taken in hand between Galle Face curve and Wellawatta station. At the end of 1912 this work was approaching completion. The estimate for the work was Rs. 437,310, and the cost up to December, 1912, was Rs. 438,655·72. To the estimate a sum of Rs. 40,000 should be added, increasing it to Rs. 477,310, being amount since recovered from the Stations Extension by the transfer of the quarry at Ragama to that extension.

Lines under Survey.—A further extension of the Pelmadulla line from Kahawatta to Opanayaka is contemplated. This extension is only 6 miles in length, and connects the Ratnapura-Balangoda road at the foot of the Balangoda Pass with Kahawatta station, the Pelmadulla terminus. This line will serve the large tea district of Balangoda.

Mannar.—The North Pier at Talaimannar and the bridges spanning the seaway between the island of Mannar and the mainland of Ceylon were completed in October, 1912.

The north-east rains delayed the advance of rail head; but less than 10 miles of line remained to be laid by the end of the year, while the station buildings and railway staff quarters were nearly all built.

(D) IRRIGATION.

The total expenditure on the construction of irrigation works for the year ended December 31, 1912, was Rs. 264,639·63, the expenditure for the previous twelve months being Rs. 314,846·49.

The expenditure on the maintenance of irrigation works during the same period was Rs. 124,497·22. This covers only the major works, there being in addition a very large number of village works which are maintained as far as possible by unskilled labour by the people owning the land irrigated by them.

The work of the year consisted chiefly in pushing on the construction of the five large works already undertaken, the commencement of the Tabbowa scheme in the North-Western Province (a combined irrigation and water supply scheme), and making good the damage caused by floods. Agricultural roads were opened on the completed irrigation works where they were found to be most needed.

IX.—GENERAL.

(A) IMPORTANT EVENTS.

His Excellency Sir Henry McCallum returned to the Island on January 3 after his official visit to Delhi to represent Ceylon at the Coronation celebrations.

In March Dr. P. H. Bahr arrived in Ceylon to conduct an investigation into the disease known as "Ceylon sore mouth," or "Sprue," under the auspices of the London School of Tropical Medicine.

On May 1 the new arm of the South-west Breakwater of the Colombo Harbour was opened by the Governor.

In July the wireless telegraph installation at Colombo was completed and opened for the use of the public.

The All-Ceylon Exhibition, the first of its kind on so large a scale, was held under the auspices of the Agricultural Society in the Victoria Park, Colombo, during the first week in July.

Ceylon was officially represented at the New York Rubber Exhibition held in September-October.

In December the Regular Troops and Volunteer Corps were inspected by General Sir Ian Hamilton, Inspector-General of the Oversea Forces.

The first successful aeroplane flights seen in Ceylon were given by two French aviators in Colombo in the same month.

Amongst distinguished visitors to the Island in the course of the year were His Serene Highness Prince Alexander and Her Royal Highness Princess Alexander of Teck, His Imperial Highness the Grand Duke Boris of Russia, His Royal Highness Prince Waldemar of Denmark, Their Royal Highnesses the Crown Prince and Princess of Sweden, and the Right Honourable Sir J. West Ridgeway, Governor of the Island from 1896 to 1903.

(B) PUBLIC SERVICE.

The premature retirement of the Governor, His Excellency Sir Henry McCallum, G.C.M.G., is recorded with regret. After a serious indisposition in July His Excellency was again taken ill in December, and acting on medical advice was compelled to return to England shortly after the close of the year.

Sir Hugh Clifford, K.C.M.G., Colonial Secretary, left the Island in September on his promotion to the office of Governor of the Gold Coast.

Mr. L. W. Booth, Ceylon Civil Service, acted as Colonial Secretary on the departure of Sir Hugh Clifford, pending the arrival of Mr. R. E. Stubbs in January, 1913.

In February His Excellency Sir A. E. Bethell, K.C.M.G., was appointed to succeed His Excellency Sir E. J. W. Slade, K.C.I.E., K.C.V.O., as Naval Commander-in-Chief, East Indies Station.

Mr. J. P. Middleton and Mr. Joseph Grenier, Puisne Justices of the Supreme Court, retired during the year, being succeeded by Mr. J. C. W. Pereira, K.C., and Mr. G. F. M. Ennis, lately Judge of the High Court of Uganda.

Mr. Justice Middleton received the honour of knighthood in June.

Other retirements from the Public Service during the year included those of Messrs. H. C. P. Bell, C. M. Lushington, C. D. Vigors, K. Macleod, G. M. Cookson, and L. S. Woolf of the Civil Service; Dr. J. C. Willis, Director of the Royal Botanic Gardens; Dr. J. B. Spence, Medical Superintendent of the Lunatic Asylum; Lieut.-Colonel F. E. G. Skey, Commanding Royal Engineer;

Dr. R. H. Lock, Assistant Director of the Royal Botanic Gardens; Mr. W. Dunuwille, Police Magistrate, Matale; Mr. P. de Saram, Itinerating Police Magistrate, Western Province; Mr. R. E. Tickell, Resident Engineer, Colombo Drainage Works; and Mr. H. O. Barnard, Assistant Surveyor-General.

The deaths of the following members of the Public Service are recorded with regret:—Mr. J. B. Dutton of the Civil Service and Mr. E. L. Mitford, who retired from the office of Government Agent of the North-Western Province at the age of 56 in the year 1866.

(c) THE EXCISE COMMISSION.

The Excise Ordinance, No. 8 of 1912, was passed by the Legislative Council on May 31, 1912. It was not, however, brought into force till January 1, 1913.

The Ordinance prepared the way for radical changes tending towards the introduction into Ceylon of an excise system based on the lines which have been successfully followed in Madras, but adapted to the conditions of Ceylon. It provides machinery for bringing under Government control all operations connected with the production and distribution in Ceylon of all alcoholic liquors and of certain intoxicating drugs, including cocaine, bhang, and ganja, and all forms thereof.

Changes in the old renting system were introduced step by step, the first being the separation of the arrack and toddy rents. The same renters had prior to July, 1912, purchased the right to sell toddy together with the right to sell arrack; but as from July, 1912, the right to retail toddy was sold at auction independently, in the great majority of cases for areas of a few square miles only, the number of taverns being strictly limited. The villages in which toddy taverns should be established were selected with a view to supplying those districts in which a demand for toddy existed and putting down illicit sale. It was found possible to exclude from the toddy rent sales the whole of the North-Central Province, the largest of the nine Provinces of the Island. Meanwhile the arrack rents were sold for the same areas as during the immediately preceding years.

Work was continued on the Government experimental distillery, and regulations were framed introducing changes in the licensing and conduct of premises authorized to sell imported liquor. These regulations, however, were not put into operation until July 1, 1913.

During the year an Excise Department was formed, and its officers put through a course of training and allotted definite spheres of operations in the field.

(D) IMMIGRATION AND EMIGRATION.

The term "immigration" in Ceylon is commonly used with reference to the immigration of native labour from the South of India for the tea and rubber plantations. There is no opening in Ceylon, as in the self-governing Colonies, for the immigration of white labour.

The number of immigrant labourers who arrived in Ceylon in 1912 was 117,475, as against 97,536 in 1911 and an average during the previous six years of about 78,000. The arrivals are, however, largely counterbalanced by the departures, which in the official returns are given at 77,840 for 1912.

Apart from coolies returning to their homes, the main stream of emigration from Ceylon is rather to the Straits Settlements and the Malay States than to India, and the number of Ceylonese, especially from the North of the Island, who of late years have sought a living in the countries named is considerable.

(E) OPENINGS FOR INVESTMENT OF CAPITAL.

The cultivation of tea, rubber, and coconuts continues to offer the chief openings for the investment of capital. Coconuts in particular are now attracting European capital, and, should it once be established that they can be successfully grown under irrigation, there is the prospect of considerable extension of this industry in the North-Western Province, and even in the drier districts of the North-Central Province.

The plumbago mining and gemming industries, as well as the cultivation of tobacco, are almost exclusively in native hands. The market for the tobacco now produced being limited, there is little, if any, room for the extension of its cultivation on present lines. But it is believed that, with more up-to-date methods of cultivation and curing, this crop can be grown with profit for the European market. Similarly, in the drier districts the cultivation of cotton offers possibilities as yet undeveloped.

January, 1914.

A. N. GALBRAITH,
Second Assistant Colonial Secretary.

COLONIAL REPORTS, &c.

The following recent reports, &c., relating to His Majesty's Colonial Possessions have been issued, and may be obtained from the sources indicated on the title page:—

ANNUAL.

No.	Colony, &c.	Year.
764	Falkland Islands	1912
765	Northern Territories of the Gold Coast	"
766	Bahamas	"
767	Gambia	"
768	Fiji	"
769	Basutoland	1912-1913
770	Gold Coast	1912
771	Ashanti	"
772	Nyasaland	1912-1913
773	Bechuanaland Protectorate	"
774	British Solomon Islands	"
775	Colonial Survey Committee	"
776	Tongan Islands Protectorate	1911-1913
777	Swaziland	1912-1913
778	Imperial Institute	1912
779	Barbados	1912-1913
780	British Guiana	"
781	Entomological Research Committee	"
782	Southern Nigeria	1912
783	Jamaica	1912-1913
784	British Honduras	1912
785	Northern Nigeria	"
786	Malta	1912-1913
787	Uganda	"
788	Mauritius	1912
789	Straits Settlements	"
790	Trinidad and Tobago	1912-1913
791	East Africa Protectorate	"
792	Grenada	1912
793	Leeward Islands	1912-1913
794	St. Lucia	"
795	St. Vincent	"
796	Bermuda	1912

MISCELLANEOUS.

No.	Colony, &c.	Subject.
78	Weihaiwei	Census, 1911.
79	Northern Nigeria	Mineral Survey, 1907-8 and 1908-9.
80	Nyasaland	Mineral Survey, 1908-9.
81	Southern Nigeria	Mineral Survey, 1908-9.
82	Imperial Institute	Rubber and Gutta-percha.
83	Southern Nigeria	Mineral Survey, 1910.
84	West Indies	Preservation of Ancient Monuments, &c.
85	Southern Nigeria	Mineral Survey, 1911.
86	Southern Nigeria	Mineral Survey, 1912.
87	Ceylon	Mineral Survey.

